

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2014-346-WS

IN RE: Application of Daufuskie Island Utility Company, Inc.
For Adjustment of Rates and Charges

**APPLICANT'S THIRD SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION TO INTERVENORS**

TO: JOHN J. PRINGLE, ADAMS & REESE, LLP, ATTORNEY FOR INTERVENORS

Daufuskie Island Utility Company ("DIUC") hereby requests Intervenors HPCCA, MPOA, and BPPOA respond to the following Third Set of Interrogatories and Requests for Production in accordance with S.C. Public Service Commission Rule 103-833. **Due to the expedited schedule in this matter, responses are required no later than November 24, 2017.**

DEFINITIONS

1. AS USED HEREIN, "APPLICANT" AND "DIUC" SHALL MEAN DAUFUSKIE ISLAND UTILITY COMPANY, INC.

2. AS USED HEREIN, HAIG POINT CLUB AND COMMUNITY ASSOCIATION, INC. ("HPCCA") SHALL MEAN HPCCA, WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF HPCCA.

3. AS USED HEREIN, MELROSE PROPERTY OWNER'S ASSOCIATION, INC. ("MPOA") SHALL MEAN MPOA, WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF MPOA.

4. AS USED HEREIN, BLOODY POINT PROPERTY OWNER'S ASSOCIATION, INC. ("BPPOA") SHALL MEAN BPPOA, WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF BPPOA.

5. AS USED HEREIN, BEACH FIELD PROPERTIES, LLC ("BEACH FIELD") SHALL MEAN BEACH FIELD WITH ITS EMPLOYEES, AGENTS, CONSULTANTS, EXPERTS, PARENTS, SUBSIDIARIES, AFFILIATES, AND PARTNER COMPANIES AND OTHER OPERATIONAL OR FUNCTIONAL UNITS AND ALL OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND REPRESENTATIVES OF THESE ENTITIES. IT ALSO INCLUDES ALL OTHER PERSONS ACTING ON BEHALF OF BEACH FIELD.

6. AS USED HEREIN, "INTERVENOR" AND "INTERVENORS" AND "POAS" SHALL MEAN INDIVIDUALLY AND COLLECTIVELY THE PARTIES WHO WERE GRANTED STATUS AS INTERVENORS BY PSC ORDERS 2015-584 AND 2015-585, NAMELY HPPCA, MPOA, BPPOA, AND BEACH FIELD.

7. AS USED HEREIN, "THIS PROCEEDING" AND "THIS MATTER" SHALL MEAN THE APPLICATION PROCEEDINGS CAPTIONED AS *IN RE: APPLICATION OF DAUFUSKIE ISLAND UTILITY COMPANY, INC. FOR ADJUSTMENT OF RATES AND CHARGES, SOUTH CAROLINA PUBLIC SERVICE COMMISSION*, SC PSC DOCKET NO. 2014-346-WS.

8. PLEASE CONSTRUE "AND" AS WELL AS "OR" BOTH DISJUNCTIVELY OR CONJUNCTIVELY AS MAY BE NECESSARY TO BRING WITHIN THE SCOPE OF THESE INTERROGATORIES ANY INFORMATION WHICH MIGHT OTHERWISE BE CONSTRUED OUTSIDE THEIR SCOPE.

9. "DOCUMENT" SHALL MEAN ANY WRITTEN, PRINTED, TYPED, RECORDED, PHOTOGRAPHIC OR OTHER GRAPHIC MATTER OF ANY KIND OR NATURE, AND ALL MECHANICAL AND ELECTRICAL SOUND RECORDINGS AND ANY TRANSCRIPTS THEREOF, AND COMPUTER DATA FILES IN YOUR POSSESSION, CUSTODY, AND/OR CONTROL, OR KNOWN BY YOU TO EXIST; IT SHALL ALSO MEAN ALL COPIES OF DOCUMENTS BY WHATEVER MEANS MADE. IT INCLUDES WRITTEN CORRESPONDENCE AND ANY CORRESPONDENCE THAT CAN BE PRINTED FROM ITS CURRENT MEDIUM, WHETHER THAT IS FROM EMAIL, TEXT MESSAGING, AND/OR ANY OTHER MEANS OF STORED OR RETRIEVABLE COMMUNICATION.

10. "IDENTIFY" OR "IDENTITY" USED WITH REFERENCE TO AN INDIVIDUAL MEANS TO STATE HIS OR HER FULL NAME, PRESENT OR LAST KNOWN ADDRESS, PRESENT OR LAST KNOWN POSITION AND BUSINESS AFFILIATION, AND EMPLOYER, TITLE, AND POSITION AT THE TIME IN QUESTION.

11. "IDENTIFY" OR "IDENTITY" USED WITH REFERENCE TO A DOCUMENT OR WRITING MEANS TO STATE THE DATE, AUTHOR, TYPE OF DOCUMENT (E.G. LETTER, MEMORANDUM, TELEGRAM, CHART, NOTE APPLICATION, ETC.) OR OTHER MEANS OF IDENTIFICATION, AND ITS PRESENT LOCATION OR CUSTODIAN. IF ANY SUCH DOCUMENT IS NO LONGER IN YOUR POSSESSION OR SUBJECT TO YOUR CONTROL, STATE WHAT DISPOSITION WAS MADE OF IT.

12. "YOU" AND "YOURS" INCLUDE THE PARTY UPON WHOM THIS DISCOVERY IS DIRECTED, AND ANY OF ITS MEMBERS, INDIVIDUALLY, WHO HAVE KNOWLEDGE OR CONTROL OF INFORMATION REQUESTED IN THE DISCOVERY REQUESTS.

INTERROGATORIES AND REQUESTS FOR PRODUCTION

Regarding the Prefiled Rehearing Testimony of Charles Loy:

1. Mr. Loy testifies on page 10 of his testimony that "HPUC [as a newly formed developer-related utility] never intended to recover the initial utility infrastructure costs through utility rates."
 - a. For the period of ten years immediately preceding the filing of the Application in this matter, please identify all other instances of which Mr. Loy is aware in which a newly formed developer-related utility never intended to recover the initial utility infrastructure costs through utility rates.
 - b. Please produce all documents related to the instances, if any, identified.
2. Please produce all documents reviewed by Mr. Loy related to his testimony on page 11 regarding:
 - a. SC Public Service Commission Docket No. 82-202 W/S.
 - b. SC Public Service Commission Docket No. 76-587 –S
3. Do the Intervenor contend that the DIUC system includes "excess capacity" as that term is used by Mr. Loy on page 20 of his testimony? If so, please define the term "excess capacity" as that term is used by Mr. Loy on page 20 of his testimony, quantify the "excess capacity" alleged to be included in the DIUC system, and identify the facts upon which the Intervenor relies for their contention.
4. In preparing his testimony and exhibits, did Mr. Loy perform any analyses other than the information produced with his prefiled testimony?
 - a. If so, please produce those analyses and all related source documents.

Regarding the Prefiled Testimony of Lynn M. Lanier:

5. With regard to Exhibit LML-R7, please produce:
 - a. The source documents and data for entries in Exhibit LML-R7; and
 - b. All documents constituting request for the data or related to how the data was obtained.

6. Please identify all persons who provided data for or participated in preparing Exhibit LML-R7. If other persons assisted in obtaining the data or preparing the exhibit, please identify the person(s) and produce documents related to the actions of the person(s). Pursuant to Instruction #9, this includes producing all associated correspondence and emails.
7. Did the witness or anyone at his direction do anything to verify:
 - a. The data included in Exhibit LML-R7? If so, please identify those actions.
 - b. The sources of the data included in Exhibit LML-R7? If so, please identify those actions.
8. The witness testifies on page 17 that he was “was advised by DOR” as to certain information.
 - a. Please identify all persons who participated in the requests for, receipt of, or review of any documents constituting the witness’s being “advised” by DOR.
 - b. Please identify all persons at DOR who provided any information to this witness or to any other representative of the Intervenors.
 - c. Please provide copies of all communications with DOR or any other person regarding all matter(s) discussed in the witness’s testimony.
9. Please identify “every reason” upon which the witness relies for the following testimony appearing on page 18.

It should also be noted, as addressed the Commission’s No. 2015-846 from the first hearing, that DIUC has gone back to the Department of Revenue and Beaufort County on several occasions to request changes in its tax assessment and its tax billings, so there is *every reason* to believe that the Company can achieve some relief from its property tax burden if its Net Plant Investment and Rate Base are reduced by the Commission to the levels recommended by Mr. Loy and reflected in my testimony.

(Emphasis added.)

10. The witness testifies he has “every reason to believe” that DIUC “can achieve some relief from its property tax burden if its Net Plant Investment and Rate Base are reduced by the Commission.” For the period of ten years immediately preceding the filing of the Application in this mater, please identify all other instances of which Mr. Lanier is aware in which a utility has been able to “achieve some relief from its property tax burden if its Net Plant Investment and Rate Base are reduced by the [applicable rate-setting] Commission.”

11. Has the witness had any communications with Beaufort County regarding DIUC? If so, please identify all persons with whom the witness communicated and provide copies of all documents related to the same.
12. The witness testifies on page 24 that “The Company should also be encouraged ... to also pursue Strategic Alternatives to its continued operation, including sale to or merger with other entities.”
 - a. Has the witness undertaken any analysis of these “Strategic Alternatives”? If so, please identify those analyses and produce all documents constituting the analyses.

Regarding Charles Loy and Lynn M. Lanier:

13. Please provide the terms of Mr. Loy’s and Mr. Lanier’s relationship with the Intervenors, including the rates charged by each.
14. Please produce copies of all retainer agreements whereby Mr. Loy and/or Mr. Lanier have been engaged to provide services in this case.
15. How much have Mr. Loy and Mr. Lanier each been paid for his work to date in this case?
16. Please provide copies of the invoices, bills, statements, requests for travel reimbursement submitted to the Intervenors by both Mr. Loy and Mr. Lanier for their work to date in this case.

By: /s/ Thomas P. Gressette, Jr.
 Thomas P. Gressette, Jr.
 G. Trenholm Walker
 WALKER GRESSETTE
 FREEMAN & LINTON, LLC
 P.O. Drawer 22167
 Charleston, S.C. 29413
 (843) 727-2200
 Gressette@WGFLLA.com
 Walker@WGFLLA.com

ATTORNEYS FOR DAUFUSKIE
 ISLAND UTILITY COMPANY, INC.

November 20, 2017
 Charleston, South Carolina

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2014-346-WS

IN RE: Application of Daufuskie Island Utility Company, Inc.
For Adjustment of Rates and Charges

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day **APPLICANT'S THIRD SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION TO INTERVENORS HPCCA, MPOA, and BPPOA** via electronic mail service as follows:

Andrew M. Bateman, Esq. (abateman@regstaff.sc.gov)
Jeff Nelson, Esq. (jnelson@regstaff.sc.gov)
South Carolina Office of Regulatory Staff

John J. Pringle, Jr., Esq. (jack.pringle@arlaw.com)
John F. Beach, Esq. (john.beach@arlaw.com)
Adams & Reese, LLP

By: /s/ Thomas P. Gressette, Jr.
Thomas P. Gressette, Jr.

November 20, 2017
Charleston, South Carolina